UNITED STATES COURT OF APPEALS
FOR THE FIFTH DISTRICT

No. 92-3818
Summary Calendar

MORVANT J. CHERAMIE, ET AL., *Plaintiff-Appellants,*

versus

EXXON COMPANY, USA, ET AL.,

Defendants-Appelless.

Appeal from the United States District Court
For the Eastern District of Louisiana
(CA 90 4187 M)

Before POLITZ, Chief Judge, GARWOOD and SMITH, Circuit Judges. POLITZ, Chief Judge:•

Plaintiffs-appellants appeal an adverse summary judgment on their claims of underpaid royalties and the dismissal of their fraud claims. For the reasons assigned, we affirm.

• Local Rule 47.5 provides: "The publication of opinions that have no precedential values and merely decide particular cases on the basis of well-settled prnciples of law imposes needless expense on the public and burdens on the legal profession."
Pursuant to that Rule, the Court has determined that this opinion should not be published.

BACKGROUND

In their brief, counsel for Shell Oil Company, one of the appellees, suggests that plaintiffs' claims as set forth in their pleadings and brief are difficult to comprehend and, once comprehended, are difficult to believe. That characterization is not without merit.

The most recent transactions underlying this lawsuit date back nearly 40 years. In October 1954, plaintiff Morvant Cheramie and the remaining plaintiffs' ancestors in title, then the 11 heirs of Haize Cheramie, Jr.,[1] executed an oil, gas, and mineral lease with Humble Oil & Refining Company, now Exxon Corp.,[2] regarding certain property located on Lafourche Parish, Louisiana (Tract A). The lease granted the Cheramies a 1/8 royalty interest in any oil and gas produced on the leased premises. The lease provided: "If Lessor owns less than the entirety of the mineral rights on, in or under said land, then the royalties to be paid lessor shall be reduced proportionately." At the time, the Cheramies puported to own a 1/21 undivided interest in the subject property.

In support of their assertion that they owned, and still own, an undivided 1/21 interest in the property, the Cheramies rely upon an October 1954 instrument between the original Haize Cheramie heirs and their attorney, G. Wray Gill. The heirs hired Gill to determine their interest in the property and to assist them in dividing same. Gill concluded that they owned an undivided 1/21

1 The plaintiffs/appellants shall be hereinafter referred to as "the Cheramies."

2 Humble/Exxon assigned one-half of its lease interest to Shell Oil Company; Exxon and Shell have identical interests in this litigation and assert the same defenses.

interest and divided same, giving ten of the heirs 6.477%, one heir 10.230%, and awarding Gill 25% thereof as his fee. The Cheramie/Gill instrument was recorded in the Lafourche Parish public records. The Cheramies contend, however, that this allocation of shares was for their benefit only and that none of the oil companies was entitled to rely on this in determining each heir's royalty share of any oil and gas production.

At the time the 1954 OGM lease was negotiated there was an ongoing dispute regarding the Cheramies' title to the property. Originally, Laurence and Celeste Cheramie,[3] the grandparents of Haize Cheramie, Jr., owned an interest in the property which is the subject of this litigation. In 1934, Harvey Peltier brought a partition suit claiming that he owned a large portion of that property. Peltier named as defendants Frederick Scully and the heirs of Laurence and Celeste Cheramie. As a result of that suit, a sheriff's sale of the property was conducted on December 29, 1934; Peltier acquired 7/10 of the property (Tract A)[4] and Scully acquired 3/10 (Tract B). The sheriff's sale, if valid, divested the Cheramies of any interest in either Tract A or Tract B.

In 1951, certain heirs of Laurence and Celeste Cheramie--though not the Haize Cheramie line--filed an action to nullify the 1934 sheriff's sale; the Haize Cheramie heirs were joined as involuntary plaintiffs therein. In a

3. Laurence Cheramie died in 1984; Celeste Cheramie died in 1906; Haize Cheramie, Jr. died in 1926.

4. Peltier later transferred a 1/5 interest in Tract A to the heirs of John Pitre.

1957 settlement of that action, the Cheramies entered two compromise agreements: the Tract A Compromise and the Tract B Compromise.[5] Under both agreements, they relinquished all rights in the tracts EXXcept those specifically reserved in the agreement. The Tract A Compromise was entered between Peltier, Pitre, and the Cheramies;[6] it recognized the Cheramies' interest in Tract A as a 148/4935 fractional interest which was then subdivided using the apportionment in the Cheramie/Gill instrument. The Tract B Compromise involved the Cheramies, two Scully brothers, and Superior Oil Company;[7] it recognized in the Cheramies a 1/8 royalty in a 148/4935 interest, which again was subdivided as per the Cheramie/Gill division. The Tract B Compromise also provided that the royalty interests recognized herein were subject to the joint operating agreement between Superior and Clovelly Corporation, operated by the Scullys, pursuant to which Superior possessed mineral rights in Tract B; the Scullys retained the exclusive right to enter into mineral leases pertaining to Tract B. The compromise agreements were duly recorded in the public records of Lafourche Parish. Exxon, Shell, and MEPNA have paid royalties to the Cheramies based upon the percentage interests set forth in these compromise agreements.

The Cheramies filed suit against Exxon, Shell, and

5. A to those Cheramies who did not settle, i.e., the other heirs of Laurence and Celeste Cheramie, the 1934 sheriff's sale was ultimately determined to be valid. See *Pitre v. Peltier*, 227 La. 478 (1955), and on appeal following remand, 122 So.2d 867 (La. App. 1960).

6. Humble/Exxon/Shell was not party to the Tract A Compromise.

7. Mobil Exploration & Producing North America, Inc. (MEPNA) is a successor in interest to Superior.

MEPNA alleging that they have been underpaid royalties and that the defendants defrauded them into entering the compromise agreements. The district court granted summary judgment in favor of the defendants on the various claims for royalties and dismissed the Cheramies' fraud claims for failure to comply with Fed.R.Civ.P. 9(b). The Cheramies timely appeal.[8]

ANALYSIS

We review summary judgments de novo.[9] Summary judgment is appropriate when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law.[10] We find as a matter of law that here is no factual scenario alleged under which the Cheramies possible could prevail.

Stripped to essentials, the Cheramies claim royalties for mineral rights which they do not own. Against

8. There is some dispute regarding whether the notice of appeal--filed after the district court's minute entry granting summary judgment and dismissing the fraud claims but before the entry of final judgment -- is effective. The district court's direction to defendant Exxon to submit a proposed judgment following the minute entry indicates that the district court believed that the minute enry resolved all claims against all parties. The court, entering a second judgment dismissing the third-party claims, noted that it was only through oversight that these claims were not included in the first judgment. We find the notice of appeal timely under FRAP 4(a) (2).

9. *U.S. Fidelity & Guar. Co. v. Wiggington*, 964 F.2d. 487 (5th Cir. 1992).

10. Fed.R.Civ.P. 56(c).

11. In fact, the Cheramies contend that the lease "stipulates that plaintiff's ancestors (all of them) were to recieve each a 1/8th royalty share in all oil and gas production." See Plaintiffs' Amended and Supplemental Complaint P25 (emphasis in original). We find it impossible to believe that Humble Oil Company would have purchased mineral rights and then agreed to pay more than 100% of the total production on royalties. The suggested illiteracy of the Haize Cheramie heirs' is no basis for such an unreasonable interpretation of the lease. We find counsel's assertion of such an argument incredible.

Exxon and Shell, they contend that pursuant to the 1954 lease they are entitled to a 1/8 royalty on the entire production of Tract A.[11] That the Cheramies may neither lease unowned mineral rights nor execute a valid lease on property they did not own would appear so fundamental as to require no citiation of authority. Under the lease terms, Exxon and Shell were obliged to pay 1/8 royalty on whatever fractional ownership interest the Cheramies owned.[12] After the Tract A Compromise, they were to pay a 1/8 royalty on the fractional interests in the property set as out in the agreement;[13] it is undisputed that they did . Absent an invalidation of the 1934 sheriff's sale of the property,[14] assuming same would still be subject to challenge, the Cheramies could claim no greater mineral rights in Tract A.

As against MEPNA, the Cheramie right to royalties derives exclusively from the Tract B Compromise. If this agreement was deemed invalid, as they request, they would have no right whatever to royalties from MEPNA. And, again, absent invalidation of the 1934 sheriff's sale,

12. A mineral lease is a contract which has the effect of law between the parties. La. Civ. Code art. 1983.

13. A lessee of mineral rights is a third party who may rely on duly recorded public records regarding interests in immovable property. See La. R.S. 9:2721 and 2722.

14. Both in response to the various defendants' motions for summary judgment and in their own summary judgment motion, the Cheramies have failed to present any evidence which would undermine the validity of the 1934 sheriff's sale.

15. They also present a portion of the public records of Lafourche Parish regarding the subject properties; however, they present no records more recent than 1895. Again, they conveniently ignore the 1934 sheriff's sale and the later compromise agreements and the effect these transactions had upon the chain of title to the property.

they would have no right to enter into any agreemnet leasing the mineral rights to Tract B.

The Cheramies' only summary judgment evidence that they own even an individed 1/21 interest in Tracts A and B is that in 1954, in the Cheramie/Gill instrument, Gill told them so.[15] The defendants have countered with competent evidence that the 1934 partition sale divested the Cheramies of any interest in Tracts A or B and, furthermore, in 1957 their ancestors in title interests in the tracts. There is no genuine dispute of material fact, and the defendants are entitled to judgment as a matter of law.

The Cheramies also allege that they were defrauded by the defendants. Fed.R.Civ.P.9(b) requires that allegations of fraud be stated with particularity. The Cheramies hint at some conspiracy pursuant to which Morvant and the other ancestors in title, most of whom were illiterate, were duped into signing away their rights in the compromise agreements and then taken advantage of by the oil companies who paid them miniscule royalty checks. Neither Exxon, Shell, nor their predecessor in interest, Humble Oil Company, however, was a party to the Tract A Compromise. They were, however, entitled to rely upon the compromise, once recorded, as an indication of the percentage of the mineral rights owned by the Cheramies.[16] Given that both compromise agreements were entered in settlement of an ongoing title dispute, which in all likelihood would have divested the Cheramies of any interest in either Tract A or B, we are hard pressed to understand in what manner the Cheramies were defrauded by anyone. The allegations of fraud fail to comply with the mandate of Fed.R.Civ.P. 9(b) and the district court correctly dismissed same.

We AFFIRM the district court in all respects.

16. See La. R.S. 9:2721 and 2722

IN THEUNITED STATES COURT OF APPEALS
FOR THE FIFTH DISTRICT

No. 92-3818

MORVANT J. CHERAMIE, ET AL., *Plaintiff-Appellants,*

versus

EXXON COMPANY, USA, ET AL., *Defendants-Appelless.*

Appeal from the United States District Court
For the Eastern District of Louisiana

ON PETITION FOR REHEARING
(July 13, 1993)

Before POLITZ, Chief Judge, GARWOOD and SMITH, Circuit Judges, PER CURIAM:

IT IS ORDERED that the petition for rehearing filed in above entitled and numbered cause be and the same is hereby denied

ENTERED FOR THE COURT:

/s/ Henry A. Palitz
United States Circuit Judge

MINUTE ENTRY
BEER, J.
SEPTEMBER 15, 1992

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

MORVANT J. CHERAMIE, ET AL CIVIL ACTION
VERSUS NO. 90-4187
EXXON COMPANY, U.S.A., ET AL SECTION M

The court heard plaintiffs' motion for Summary Judgment, Defendant Exxon's Cross-Motion for Summary Judgment, and Defendant Exxon's Motion to Dismiss on September 2, 1992. For the following reasons, plaintiffs' motion is denied, and the defendant Exxon's motions are granted. As a result of defendant Shell's identical status with Exxon in this matter, the granting of summary judgment as to Exxon applies equally to defendant Shell, rendering all pending motions be defendant Shell moot. In addition, the court deems it appropriate at this time to grant defendant MEPNA's motion for summary judgment, dismissing the remainder of plaintiffs' case.

I. BACKGROUND

On October, 23, 1954, one of the current plaintiffs and ten ancestors in title of the remaining plaintiffs (hereinafter "Cheramie et al"), entered into a lease agreement with Humble Oil & Refining Co., now Exxon, according to

which Cheramie et al agreed to lease certain property in Lafourche Parish to Exxon in return for a sum of money and a 1/8 royalty interest in the oil and gas produced on the leased property. One year later, Exxon assigned one half of its lease interest in several properties, including that of Cheramie et al, to Shell Oil Company Apparently, a dispute arose around that time as to Cheramie et al's true ownership interest in the property leased to Exxon (hereinafter "Tract A"). In 1957, Cheramie et al executed two compromise agreements which are the primary focus of this lawsuit. The first of these involved the property ownership and consequent division of the royalty interests as to Tract A, while the second was to resolve a similar dispute as to Cheramie et al's ownership interest in a separate tract (hereinafter "Tract B", on which Superior Oil Company, predecessor in interest at Mobil Exploration & Producing North America, Inc. (MEPNA)(possessed mineral rights persuant to a joint operating agreement. Since 1957, Cheramie et al and their successors have recieved royalty payments based on their percentage interest ownership in the two tracts, as provided in the compromise agreements, multiplied by 1/8 of the royalties allocated to those tracts.

Plaintiffs filed suit against Exxon, Shell and MEPNA in December of 1990 to recover additional royalties which they allege should have been paid to them. Since that time, defendants Exxon and Shell have filed a joint motion for summary judgment, and defendant MEPNA has filed its own motion for summary judgment, as to plaintiffs' claims to royalties on Tract B. Defendant Exxon's cross-motion for summary judgment, which necessarily applies equally to defendant Shell, and MEPNA' opposition to plaintiffs' motion, present many of the same contentions

as defendants presented in their own previously filed summary judgment motions.

II. LAW AND ANALYSIS

As to plaintiffs' claim for mineral royalties generated from Tract A, involving defendants Exxon and Shell, plaintiffs' principal claim is for breach of a mineral lease agreement executed by Cheramie et al in 1954. The provisions of the mineral lease determine the obligations of the parties, including any obligation of the lessee to pay mineral royalties. La.C.C. Art. 1983. The 1954 lease provides that the Lessor, Cheramie et al, leases certain described property located in Lafourche Parish to Lessee, now Exxon, in exchange for $10,666.67 and a 1/8 interest in mineral royalties generated from the leased property. The lease is specifically limited to "whatever fractional interest that is owned by Lessors in the above described property." In spite of this very clear language, plaintiffs contend that the lease entitles them to 1/8 of the royalties generated for the entirety of Tract A, even though they admit in their amended complaint to having title to only 1/21 interest in the property. Under the plain language of the 1954 lease, plaintiffs' contention in this respect has no legal basis.

In 1957, Cheramie et al executed a compromise agreement to which Exxon was not a party and persuant to which Cheramie et al agreed to the percentage interest ownership of Tract A on which Exxon thereafter relied in dividing up royalty payments. The plaintiffs have offered no facts to show that the compromise agreement was invalid. Exxon had a right to rely on the compromise agreement, which was recorded in the public records. La. R.S. 9:2721-22. Exxon has paid royalties to Cheramie et al

in accordance with the 1954 lease agreement and 1957 compromise agreement up to the present date, as evidenced by the exhibits submitted. Based on these uncontested facts,, plaintiffs have no legal claim to royalties on Tract A in excess of those paid by Exxon over the years. Likewise, plaintiffs have no legal claim against defendant Shell as assignee of a portion of the mineral lease interest on Tract A.

As to plaintiffs' claims for royalties generated on Tract B involving defendant MEPNA, ther are similarly no legal grounds for recovery based on the undisputed material facts presented by the parties. Plaintiffs have been paid in accordance with the compromise agreement executed in 1957 as to Tract B, and the facts presented establish that the compromise agreement was a valid one. Even if the compromise agreement was invalid, defendant MEPNA has established that the plaintiffs would have no title and therefore no rights to royalties on Tract B in the absence of that agreement.

Finally, as to plaintiffs' sole remaining allegation that "all defendants conspired to defraud petitioners due to their illiteracy and said activities continue to this day," defendant Exxon's motion to dismiss is granted, and insures to the benefit of the other defendants. The plaintiffs' allegation does not fulfill the requirement for Fed. R.Civ. 9(b) that allegations of fraud be stated with particularity. Conclusory allegations of fraud do not survive dismissal. *Smith v. Ayres,* 845 F2d. 1360, 1365 (5th Cir. 1988). Plaintiffs have not alleged any specific acts performed by any of the defendants which they believe constituted fraud, and the defendants cannot be expected to respond to such a vague allegation.

III. CONCLUSION

It is hereby ADJUDGED, ORDERED AND DECREED that plaintiffs' motion for summary judgment is denied, and that defendant Exxon's cross-motion for summary judgment equally applicable to defendant Shell and motion to dismiss are granted;

It is further adjudged, ordered, and decreed that defendant MEPNA's motion for summary judgment is hereby GRANTED on the briefs and arguments submitted in opposition to plaintiffs' motion.

Counsel for the defendant Exxon is requested to submit a judgment consistent with this minute entry.

/s/ Peter Beer
Peter Beer
United States District Judge

PAYMENT SCHEDULE FOR MORVANT J. CHERAMIE
ION 150700

YEAR	LEASE PROD 16774	M RA SU A 16744B	M RA SU B 16744C	M RF SU A 16744E	M RE SUA 16744 F	TOTAL (1)	IRS TOT (2)	DIFFERENCE (3)
1966	49.37	1.72	9.52			60.61	123/08	(62.47) (4)
1967	49.01		5.66			54.67	119.14	(64.47) (4)
1968	21.10		8.93			30.03	99.10	(69.07) (4)
1969	12.73		37.63			50.36	59.14	(8.78)
1970	7.72		3.81			11.53	13.34	(1.81)
1971	1.75		0.01	17.64	0.65	20.05	24.88	(4.83)
1972	0.29		0.09	37.54		37.92	46.47	(8.55)
1973				39.25		39.25	51.61	(12.36)
1974				23.59	25.93	49.52	49.52	0.00
1975				43.87	41.81	85.86	89.35	(3.67)
1976	6.87		7.94	23.25	91.56	129.62	129.62	0.00
1977				19.57	48.30	67.87	67.87	0.00
1978				14.41	106.91	121.32	121.12	0.20
1979				13.52	48.84	62.36	67.89	(5.53)
1980				22.18	30.21	52.39	59.02	(6.63)
1981				45.03	37.08	82.11	82.11	0.00
1982				27.66	48.01	75.67	75.49	0.18
1983				10.59	31.76	42.35	42.35	0.00
1984	0.11		0.34	23.10	63.39	86.94	80.18	6.76
1985				39.74	13.48	53.22	52.88	0.34
1986				19.48	28.07	47.55	47.55	0.00
1987				17.07	1.07	18.14	18.14	0.00
1988				16.74	(0.02)	16.72	16.72	0.00
1989				14.23		14.23	14.23	0.00
1990				18.03		18.03	18.03	0.00
	148.95	1.72	73.93	486.49	617.05	1,328.14	1,568.83	(240.69)

(1) Total payments supported by Division of Interest (DI) or check copies
(2) Total payments reported to Internal Revenue Service (IRS)
(3) The difference between what was reported to IRS and what we can find support for
(4) Large variance is due to missing gas DI's, total payments represent oil only

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

MORVANT J. CHERAMIE, ET AL CIVIL ACTION
VERSUS NO. 4187
EXXON COMPANY, U.S.A., ET AL SECTION 'K' (6)

SHELL OIL COMPANY'S RESPONSE TO INTERROGATORIES-THIRD SET AND REQUEST FOR ADMISSIONS - THIRD REQUEST

NOW INTO COURT, through undersigned counsel, comes defendant, Shell Oil company ("Shell"), and for answer and objection to the Plaintiffs' Interrogatories - Third Set, and Request for Admissions - Third Request, avers as follows:

INTERROGATORY NO. 1:

With regard to the plaintiffs in this case do any of the defendants have a formula for determining these plaintiff's participating interests? As a percentage, i.e., 1/8, 1/3 etc.

RESPONSE TO INTERROGATORY NO. 1

Shell objects to Interrogatory No. 1 as vague and confusing in that plaintiffs do not define "participating interest." The phrase must be further defined by reference to the lessor' royalty fraction, plaintiffs' share of that fraction, and the portion of the relevant lease's participation in a particular unit. Subject to the foregoing objection, Shell reiterates its previous statement that it transferred the relevant Shell documents to Taylor Energy Company in 1983. Shell has not yet devised a formula for calculating plaintiffs' interest separate from those formulas already postulated by plaintiffs, Mobil and Exxon, in their discovery responses or expert reports..

INTERROGATORY NO. 2

With regard to the plaintiffs herein what interest factor did you use?

RESPONSE TO INTERROGATORY NO. 2:

See Response to Interrogatory No. 1.

INTERROGATORY NO. 3:

With regard to the Compromise Agreement which was attached to the Complaint herein, do you agree that in paragraph 3 that 1/21 is the figure used to determine the interest factor for the original signatories of said Compromise Agreements? And if not, why not? Explain your answers.

RESONSE TO INTERROGATORY NO. 3:

See Response to Interrogatory No.1. Furthermore, the Compromise Agreements themselves are confusing. The Peltier-pitre Compromise Agreement asserts in paragraph that the Heirs of Haize Cheramie probably cumulatively owned around 2% of the fee title of Tract A in 1957. The Scully Compromise Agreement asserts in paragraph 1 that the Heirs of Haize Cheramie again probably owned cululatively around 1% of a 1/8 royalty interest in Tract B in 1957.

RESPONSE TO ADMISSIONS NO. 2:

Denied. See Response to Interrogatory Nos. 1 and 3.

/S/ MARK B. MEYERS, T.A.
MARK B. MEYERS T.A.
BAR NO. 8085
ATTORNEY FOR SHELL OIL COMPANY
ROOM 1218 ONE SHELL SQUARE
P.O. BOX 60193
NEW ORLEANS, LA 70160
TELEPHONE: (504) 588-4645

PARISH OF ORLEANS
STATE OF LOUISIANA

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the Parish and State aforesaid personally came and appeared:

AUJES CHERAMIE, ENIS CHERAMIE, and MORVANT J. CHERAMIE, all persons of the full age of majority, and domiciled in the State of Louisiana, who, after being duly sworn do depose and state THAT,

they are some of the plaintiffs in suit No. 90-4187 "M" in the U.S.D.C. for the Eastern District of Louisiana; THAT they have reviewed Exhibits "A". "V", which are part of plaintiff's Motion for Summary Judgement and dated June 8, 1957; THAT they have reviewed a document filed by defendant MEPNA as part of its memorandum of law in opposition to plaintiff's motion for summary judgment mentioned herein above and identified as MEPNA's Exhibit D-5; THAT the above Exhibits have the name Gerard H. Schreiber and signed as such on said in behalf of the plaintiffs; THAT appearers herein swear that the said Gerard H. Schreiber has never been their attorney for any purpose at any time in the above suit; that by letter dated August 16, 1989 addressed to undersigned the said Gerard H. Schreiber denies that he was ever the attorney for plaintiffs herein as an answer to undersigned's letter dated August 14, 1989, and addressed to Schreiber; that in spite of the above a letter dated January 13, 1958, addressed to Schreiber by Humble Oil & Refining Company (defendant Exxon) contradicts Schreibers assertions as does another letter dated August 24, 1961, addressed to one of the plaintiffs' heirs from G. Wray Gill, who asserts

that he is writing in behalf of Gerard H. Schreiber, who is also on the letterhead, and admits that both have an interest in said property described in undersigned's letter of August 14, 1989; THAT the said Schreiber also signed an instrument identified as an undated STIPULATION D-5 referred to above in behalf of the plaintiffs herein; and he was not the attorney for plaintiffs as represented therein nor at any other time; THAT, on or about November 9, 1980, most of the plaintiffs herein met with Gerard H. Schreiber to demand what had happened to the money promised them in an October 23, 1954, Oil,Gas and Mineral Lease, with regard to their royalty interests; THAT the said Schreiber denied to them, especially Aujes Cheramie, Enis Cheramie and Morvant J. Cheramie, that he was their attorney or had ever been and ordered them out of his office.

/s/ Aujest Cheramie
Aujest Cheramie

/s/ Enis Cheramie
Enis Cheramie

/s/ Morvant J. Cheramie
Morvant J. Cheramie

SWORN TO AND SUBSCRIBED
BEFORE ME THIS ____ DAY OF
_____, 1992.

/s/ Robert E. Lee, Sr.
Robert E. Lee, Sr., Notary Public

PARISH OF ORLEANS
STATE OF LOUISIANA

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the Parish and State aforesaid, personally came and appeared:

MORVANT J. CHERAMIE, EVA RITA MAY CHERAMIE GAUTREAUX, and ENIS J. CHERAMIE, all of the full age of majority and domiciled in the Parish of Jefferson, State of Louisiana, who, after being duly sworn do depose and state THAT, we appearers are the only survivors of the twelve signors of two compromise Agreements signed on June 8, 1957, which are identified as Peltier-Pitre Tract "A" and the Scully Group Tract "B". Morvant J. Cheramie is the only surviving issue of Haize Cheramie, identified in said Agreements along with appearers, Eva Rita May Cheramie Gautreaux and Enis J. Cheramie, the other two survivors of said signors. At the time of the signing of these Agreements on June 8, 1957, only three of us could read or write, namely, Morvant J. Cheramie, Alexandrine Cheramie Lee, and Laurita Cheramie Allo. Three of the above signors could only sign their names-with great difficulty, namely, Ezella Cheramie Schouest, Enis J. Cheramie and Eva Rita Cheramie Gautreaux. The other six signors could not read nor write nor sign their names, in any language.

At the time of the above signing, June 8, 1957, none of us were permitted to hold or examine said Agreements. We were advised that we were entitled to 1/21st of the land describd in our lawsuit, NO. 90-4187 "K"

We were told that someone named G. Wray Gill,

Sr., was the attorney for the signors but we never saw him before June 8, 1957 nor afterwards, nor at anytime.

We were never made aware of any decimal interest in said Agreements and would not have known what that meant. We did agree among ourselves that Ernest J. Cheramie should get a little something extra because he went to the trouble of getting us all together for the signing on June 8, 1957.

We were not aware of any discrepencies and neither were the other signors of unpaid royalties nor underpaid royalties until Enis J. Cheramie told us that he had hired Rober E. Lee, Sr., to be our attorney and conduct an ivestigation for us on April 1, 1989.

/s/ Morvant J. Cheramie
Morvant J. Cheramie

/s/ Eva Rita May Cheramie Gautreaux
Eva Rita May Chermie Gautreaux

/s/ Enis J. Cheramie, Sr.
Enis J. Cheramie, Sr.

SWORN TO AND SUBSCRIBED
BEFORE ME THIS _____DAY OF
_____, 1991.

/s/ Robert E. Lee, Sr.
Robert E. Lee, Sr., Notary Public

PARISH OF ORLEANS
STATE OF LOUSIANA

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the Parish and State of aforesaid, personally came and appeared:

RICHARD O. BEIGHTOL, a person of the full age of majority and domiciled in the Parish and State aforesaid, who, after being duly sworn does depose and state that:

He possessed the following qualifications:

1) 1951 - Graduated from the University of Tulsa with a B.S. in Geophysical Engineering;
2) 1951 - I was recruited by and joined Texas Co.;
3) 1951 to 1987 - I held various positions of responsibility with Texaco;
4) 1980 to 1987 - I was Geophysical Manager with Texaco, U.S.A. This responsibility involved both development and exploration for oil and gas fields;
5) 1951 to 1987 - During my career with Texaco I was provided with an opportunity to attend numerous schools to enhance my managerial skills, covering all aspects of oil and gas exploration and produc tion levels;
6) 1987 to the present time - I am an Exploration Consultant for the oil and gas industry and have per formed consulting services for several oil and gas production companies as well as conducting independant exploration functions;
7) Professional Associations: I am a member of the

Society of Exploration Geophysicists, the South eastern Geophysical Society, the Southwest Louisiana Geophysical Society and the Jackson Geo physical Society.

THAT he has been retained and employed by the Cheramie plaintiffs in Case No. 90-4187, USDC-Eastern District of Louisiana; THAT he has examined certain documents provided counsel for these plaintiffs; THAT he is very familiar with the type of computer print-out information - in particular with a document identified with an "F" containing members which represent the total volumes of gas and oil for the years indicated in document "F", THAT there is a column for Gas and one for Oil. THAT he is thoroughly familiar with what the computations stand for and what they represent; THAT he has marshalled the many items of information contained in document "F" and arrived at a dollar computation which is expressed as $2.00 per/mcf for the natural gas and $20.00 per/bbl for the crude oil which was extracted from the property described in the Complaint I inspectd; THAT the totals for both columns of oil and gas totaled $230,348,074.00; THAT furthermore these totals are probably accruing since the above computations were accomplished.

/s/ Richard O. Beightol
Richard O. Beightol

SWORN TO AND SUBSCRIBED
BEFORE ME THIS ____DAY OF
_____, 1992.

Robert E. Lee, Sr.
Robert E. Lee, Sr., Notary Public

New Orleans, Louisiana 70112
July 6, 1992

Mr. Robert E. Lee, Sr.
Attorney & Counsellor At Law
3942 Feach Tree Court
New Orleans, Louisiana 70131

Re: Cheramie et al v Exxon et al

Dear Bob:

This is to serve as a response to questions in your letter of June 30, 1992.
I do not believe the defendants would be paying the Cheramies only from unitized wells. However; the only active wells are unitized wells from which the Cheramies should be receiving regular royalty payments, see attached.
Total production figures (Taylor's Figures) are attached for all wells drilled on Cheramie properties or which they share a unitized interest.

NET TOTAL FOR ALL WELLS
Oil (bbl) 550,860.58
Gas (mcf) 21,206,596.16

At $20/bbl oil and $2/mcf gas you have:
$20 * 550,860.58 = $11,017,211.60
$2 * 21,206,596.16 = $42,413,192.32

Total Revenue = $53,430,403.92

Cheramies' 1/8th = $6,678,800.49

This is all based on Taylor's Figures and are probably the most reliable since they were derived by an independant consulting firm. One other point to remember is, the Cheramies were never represented at the unitization hearings. It is likely they would never have seen the necessity to have representation even if notified of such proceedings.

In summary, it looks like the $6,678,800.49 royalty is the 1/8th the Cheramies should have received. Any additions to this for penalties, et ceteria is a legal decision.

Regards,
/s/ Richard O. Beightol
Richard O.Beightol

PARISH OF ORLEANS
STATE OF LOUISIANA

BEFORE ME, the undersigned authority, duly commissicned and qualified in and for th Parish and State aforesaid, personally came and appeared:

RICHARD O. BEIGHTOL, a person of the full age of majority and domiciled in the Parish of Orleans, State of Louisiana, who after being duly sworn does depose and state THAT,

he is a private oil and gas exploration consultant; THAT the fore-going letter dated July 6, 1992, and attached WELL PRODUCTION SUMMARY, was prepared by me, appearer herein; THAT said summary was analyzed and taken from production records furnished by Taylor Energy Company and EXXON COMPANY, U.S.A., and are true and correct to the best of my knowledge and belief.

/s/ Richard O. Beightol
Richard O. Beightol

SWORN TO AND SUBSCRIBED
BEFORE ME THIS _____DAY OF
_____, 1992.

/s/ Robert E. Lee, Sr.
Robert E. Lee, Sr., Notary Public

2750 William Tell St.,
Slidell, LA. 70458 641-7860

August 16, 1989

Mr. Robert E. Lee,
Attorney at-Law,
3942 Peach Tree Court
New Orleans, LA., 70131

Dear Bob:

Re: Lester Joseph Cheramie

Replying to your letter of August 14th, 1989, addressed to me and Mr. George W. Gill, Jr., regarding a previous power of attorney to me and Mr. Gill by the heirs of Lester Joseph Cheramie, I have no knowledge of our ever having been appointed as power of attorney. If they contend to the contrary, I would appreciate receiving a copy of the alleged copy of the power of attorney and dates it is alleged that I acted for the Lester Joseph Cheramie's heirs as power of attorney. To my knowledge, I have never received any money on their behalf and consequently would have no funds to account for.

Cordially,
/s/ Gerard H. Schreiber
Gerard H. Schreiber

DIVISION OF INTEREST PAY SHEET

Operator: EXXON CORPORATION	Approved	Initiakized
Lease: M RF SU A/HARVEY PELTIER/	Oil Purchaser: EXXON CORPORATION	
County/State: LAFOURCHE/LOUISIANA	ROR Codes: 5-6351-5342700-53501	
Sub: F3	EPAC Codes: 5342700-7-4-5512	

Current Date: 89/06/29 | 16744E | Type:3 Requester: ARJ Date 05-89

ION	Owner Name	TYP INT	Interest	Change Date	Special Codes	STAT	Exception Oil	Exception Gas
7835020	DON STANFORD 9690 LAKESHORE DR DALLAS TX 75214	2	.01237048	12-88		10		8
7936800	EZELLA CHERAMIE SCHOUEST ROUTE 2 BOX 828 PASS CHRISTIAN 39571	1	.00024280	12-88		10		8
7937500	GERARD H SCHREIBER 2750 WILLIAM TELL ST. SLIDELL, LA 70458	1	.0004680	12-88		10		8
8012770	HENRY J SEIBERT JR 839 BARBE ST WESTEGO, LA 70094	1	.00008094	12-88		10		8
8013160	NOLAN J SEIBERT SR 1333 REDWOOD DR HARVEY LA 70058	1	..00008093	12-88		10		8
8050270	JAY B SHALETT PO BOX 56907 NEW ORLEANS LA 7015[illegible]	1	.01450719	12-88		10		8
8050500	MONTE C SHALETT 1020 GRAVIER ST STE 200 NEW ORLEANS LA 70112	1	..01450720	12-88		10		8
8762540	BERNICE HARANG TALBOT 306 BAYOU LANE THIBODAUX LA 70301	1	.00445799	12-88		10		8
8781700	PENNY PELTIER TATE 204 BELMONT DR THIBODAUX LA 70301	1	.00027596	12-88		10		8
8785250	TAYLOR ENERGY COMPANY PO BOX 62716 NEW ORLEANS 70162	3	.31014260	12-88		10		6

No. 00014